

SERFF Tracking Number: NCMA-128171765 State: Illinois
Filing Company: Professional Solutions Insurance Company State Tracking Number: NCMA-128171765
Company Tracking Number: DDS REWRITE 2012 - RATE/RULE
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0006 Dentists - General Practice
Made/Occurrence
Product Name: Dental Professional Liability
Project Name/Number: DDS Rewrite 2012/DDS Rewrite 2012

Filing at a Glance

Company: Professional Solutions Insurance Company

Product Name: Dental Professional Liability SERFF Tr Num: NCMA-128171765 State: Illinois
TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed-Filed State Tr Num: NCMA-128171765
Made/Occurrence
Sub-TOI: 11.0006 Dentists - General Practice Co Tr Num: DDS REWRITE 2012 - State Status:
RATE/RULE
Filing Type: Rate/Rule Reviewer(s): Gayle Neuman
Authors: Jacquie Anderson, Juli Disposition Date: 05/08/2012
Frank, Rejeana Otte
Date Submitted: 03/19/2012 Disposition Status: Filed
Effective Date Requested (New): 07/01/2012 Effective Date (New): 07/01/2012
Effective Date Requested (Renewal): 07/01/2012 Effective Date (Renewal):
07/01/2012

State Filing Description:

General Information

Project Name: DDS Rewrite 2012 Status of Filing in Domicile: Pending
Project Number: DDS Rewrite 2012 Domicile Status Comments:
Reference Organization: N/A Reference Number: N/A
Reference Title: N/A Advisory Org. Circular: N/A
Filing Status Changed: 05/08/2012
State Status Changed: Deemer Date:
Created By: Rejeana Otte Submitted By: Rejeana Otte
Corresponding Filing Tracking Number: NCMA-128130322
Filing Description:
Professional Solutions Insurance Company (PSIC) currently has on file with the Illinois Department of Insurance a claims made and occurrence dental professional liability program. At this time, PSIC is submitting for your review and approval revisions to this program. Please see the attached memorandum for a description of the changes. Thank you!
State Narrative:

Company and Contact

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Filing Contact Information

Rejeana Otte, Compliance Analyst rotte@ncmic.com
 14001 University Ave. 515-313-4717 [Phone]
 Clive, IA 50325 515-313-4476 [FAX]

Filing Company Information

Professional Solutions Insurance Company CoCode: 11127 State of Domicile: Iowa
 14001 University Ave Group Code: 2638 Company Type: Property/Casualty
 Clive, IA 50235 Group Name: State ID Number:
 (800) 321-7015 ext. [Phone] FEIN Number: 42-1520773

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Professional Solutions Insurance Company	\$0.00		

State Specific

Refer to our checklists prior to submitting filing
 (http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): Invalid Link, Reviewed Checklist found at:
http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/MedicalMalpracticeLiabilityForms.asp
 Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to
 clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the
 "Product Name" is the Filing Title and not the Project Number.: Acknowledged
 NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL
 AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL
 LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS,
 COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please
 refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific
 statutes, regulations, etc. : http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp .: Acknowledged

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Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: Acknowledged
The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": Acknowledged

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: Acknowledged

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	05/08/2012	05/08/2012

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Gayle Neuman	03/19/2012	03/19/2012	Rejeana Otte	03/20/2012	03/20/2012

Industry

Response

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective Date - 7/1/12	Note To Reviewer	Rejeana Otte	05/08/2012	05/08/2012
effective date	Note To Filer	Gayle Neuman	05/08/2012	05/08/2012

SERFF Tracking Number:	NCMA-128171765	State:	Illinois
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Disposition

Disposition Date: 05/08/2012

Effective Date (New): 07/01/2012

Effective Date (Renewal): 07/01/2012

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Professional Solutions Insurance Company	0.000%	0.000%	\$0	118	\$174,005	0.000%	0.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Manual		Yes
Supporting Document	Actuarial Memorandum		Yes
Rate	State of Illinois Dental Professional Liability Manual Claims Made and Occurrence Coverage		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/19/2012
Submitted Date 03/19/2012
Respond By Date 03/26/2012

Dear Rejeana Otte,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. Please confirm that there is no rate increase/decrease with the reduced class factors. Does Professional Solutions not currently write any insureds in those two classes?

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,
Gayle Neuman

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/20/2012
Submitted Date 03/20/2012

Dear Gayle Neuman,

Comments:

Thank you for your review of this filing. Please see my comments below in response to your 3/19/12 objections.

Response 1

Comments: 1. Professional Solutions Insurance Company reports to the National Independent Statistical Service (NISS).

2. There is no rate impact from the reduced class factors. PSIC does not currently write any insureds within these two classes in Illinois.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let me know if you need any additional information in regards to the approval of this filing. Thank You!

Sincerely,

Jacquie Anderson, Juli Frank, Rejeana Otte

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Note To Reviewer

Created By:

Rejeana Otte on 05/08/2012 10:15 AM

Last Edited By:

Gayle Neuman

Submitted On:

05/08/2012 10:53 AM

Subject:

Effective Date - 7/1/12

Comments:

Yes, we still request to use an effective date of 7/1/12 for this filing.

Thank you!

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Note To Filer

Created By:

Gayle Neuman on 05/08/2012 09:24 AM

Last Edited By:

Gayle Neuman

Submitted On:

05/08/2012 10:53 AM

Subject:

effective date

Comments:

The Department of Insurance has now completed its review of this filing. Originally, Professional Solutions requested the filing be effective July 6 1, 2012. Is that still the date you wish to use? Your prompt response is appreciated.

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Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	-30.200%
Effective Date of Last Rate Revision:	05/01/2007
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Professional Solutions Insurance Company	0.000%	0.000%	\$0	118	\$174,005	0.000%	0.000%

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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	State of Illinois Dental Professional Liability Manual Claims Made and Occurrence Coverage	1-10	Replacement	NCMA-126874908 Illinois Dental Rating Manual 01-12.pdf

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
STATE OF ILLINOIS
DENTAL PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE AND OCCURRENCE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This program covers Dentists engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan for a description of each risk/rating category for dentists.

Employees of Dentists are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary.

This program also provides coverage for both dental clinics and individual practicing dentists for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. If the policy is claims made, apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply discounts, as appropriate, for part-time or new practitioner.
6. Apply any applicable credits/debits for experience rating.
7. Apply any applicable credits/debits for schedule rating.
8. Apply rounding.
9. Example Premium Calculation:
Assume the full time undiscounted premium is \$1,000. Credits or debits will be applied in consecutive order.
 $\$1,000 \times .95 = \950.00 (Claims Free credit of 5%)
 $\$950.00 \times .95 = \902.50 (Schedule Rating credit of 5%)
 $\$902.50 = \903.00 (Apply rounding)
10. There will be a \$50.00.00 minimum premium for all dental policies.

III. POLICY PERIOD

The policy period shall be for a one-year term. Insureds added or removed mid-term will be pro-rated.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.
\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

The following parameters will be applied for dental providers who practice in multiple territories or states:

- A. For dental providers providing services under local or conscious sedation and/or facial cosmetics or dental providers classified as Oral & Maxillofacial Pathology, the location of the primary office practice will determine the manual rate.
- B. For dental providers classified as Dental Anesthesiology, Oral & Maxillofacial Radiology or Oral & Maxillofacial Surgery, the location of the primary healthcare facility practice will determine the manual rate.

- C. If a dental provider practices equally in two or more states or territories, the rate from the highest territory or state will be applied.

For the purposes of this section, primary means 51% or more of the dental provider's practice time is spent in the given territory or state.

The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro-rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard notice will be sent sixty (60) days prior to cancellation or non-renewal, except that in the event of non-payment of premium, then not less than ten (10) days prior notice of cancellation will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro-rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro-rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage – Claims Made Only

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional Solutions Insurance Company. The insured may apply for a Retroactive Date that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Automatic Reporting Extension – Claims Made Only

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Automatic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Automatic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage – Claims Made Only

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents, which occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.654
2	0.975
3	1.062
4+	1.082

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

If the Insured fails to pay the Extended Reporting Endorsement premium when due, the Insured will be liable to the Company for any losses and loss expenses incurred.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled.

The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years. The Extended Reporting Coverage premium will be discounted for insureds who retire at or after age fifty-five (55) with fewer than five (5) years of continuous coverage as follows:

<u># of Years of Continuous Coverage</u>	<u>Extended Reporting Coverage Credit</u>
1 full year	20%
2 full years	40%
3 full years	60%
4 full years	80%

D. Prior Acts Coverage, also called Nose Coverage – Occurrence Only

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured's previous claims made policy will be covered. The limit of liability provided by this option are the

only limits that shall be applicable to the time period designated above. This endorsement can be applied to individual or entity policies.

The factors listed below will be applied to the undiscounted mature occurrence premium at the applicable limit of liability in the state in which the insured's previous claims made policy was issued.

<u># of Years in Claims Made Maturity</u>	<u>Nose Factor</u>
1	0.628
2	0.936
3	1.020
4+	1.039

E. Change in Rating Classification – Claims Made Only

In the event of a change in exposure or dental practice classification, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no additional charge;
2. with regard to dental practice classification, both the prior and the current specialty fall within the same class;
3. the exposure or dental practice of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or dental practice of the practitioner changed while insured under occurrence coverage.

F. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed sixty (60) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

X. DISCOUNTS

A. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits.

B. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The credit applied is 50% of the approved base premium.

Those who receive a part-time practitioner credit will not be eligible to receive any further credits.

XI. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00 or allocated loss adjustment expense (ALAE) payments plus any Company established reserves for loss or ALAE exceeding \$50,000.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

Claims debits

Claim frequency debit criteria:

Debit:

One (1) claim opened in the past five (5) years:	0%
Two (2) claims opened in the past five (5) years:	50%
Three (3) claims opened in the past five (5) years:	150%

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- The applicant
- The agent or broker
- All previous insurers with respect to the experience period in question.

XII. SCHEDULE RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 25% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

SCHEDULE RATING PROGRAM		Maximum Credit	Maximum Debit
Conscious Sedation	Procedures performed on patients who have been treated with light to moderate conscious sedation, including but not limited to nitrous oxide.	0%	10%
Historical Loss Experience	The frequency or severity of claims for the insured is greater/less than expected experience for an insured of the same classification/size or recognition of unusual circumstances of claims in the loss experience.	25%	25%
Cumulative Years of Patient Experience	The insured demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.	5%	5%

Classification Anomalies	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of a recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.	25%	25%
Claims Anomalies	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or unusual circumstances of a claim(s) which understate/overstate the severity of the claims(s).	10%	10%
Management Control Procedures	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.	10%	10%
Number/Type of Patient Exposures	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.	10%	10%
Organizational Size / Structure	The organization's size and processes are such that economies of scale are achieved while servicing the insured.	5%	5%
Medical Standards, Quality & Claim Review	Presence of a committee that meets on a routine basis to (1) review dental procedures, treatments, and protocols and assist in the integration of such into the practice; (2) assure the quality of the dental care being rendered; and/or (3) provide consistent review of claims/incidents that have occurred and develop corrective action.	10%	10%
Other Risk Management Practices and Procedures	Additional activities undertaken with specific intention of reducing the frequency or severity of claims.	10%	10%
Training, Accreditation & Credentialing	The insured exhibits greater/less than normal participation and support of such activities.	10%	10%
Record – Keeping Practices	Degree to which the insured incorporates methods to maintain quality patient records, referrals, and test results	5%	5%
Utilization of Monitoring Equipment, Diagnostic Tests or Procedures	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in dental treatment and equipment into the practice, or failure to meet accepted standards of care.	10%	10%
Maximum cumulative schedule credit / debit		25%	25%

XIII. ENDORSED COVERAGES – Coverage Options

Active Military Suspension Endorsement – PSIC-DDS-02CM and PSIC-DDS-02OCC

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Additional Interests Endorsement – PSIC-DDS-04

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy. There is no additional charge for this endorsement.

Temporary Leave of Absence Endorsement – PSIC-DDS-05CM and PSIC-DDS-05OCC

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro-rata basis for the period of the qualifying disability.

For claims made policies, while on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave or any other reason pre-approved by Professional Solutions Insurance Company – does not apply to vacations.

Extended Reporting Endorsement – PSIC-DDS-06 (Claims Made only)

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Prior Acts Endorsement – PSIC-DDS-07 (Occurrence only)

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured's previous claims made policy will be covered.

Accelerated Vesting For Extended Reporting Period Endorsement - PSIC-DDS-08 (Claims Made only)

This endorsement amends the years of continuous coverage requirement for the Extended Reporting Endorsement at no additional charge upon retirement.

Vicarious Liability for Affiliated Dental Provider Endorsement – PSIC-DDS-09

Coverage is provided for the vicarious liability of the affiliated dental provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 10% additional premium charge for each affiliated dentist that is not insured with Professional Solutions Insurance Company.

Locum Tenens Endorsement – PSIC-DDS-10

This endorsement adds coverage for the substitute dentist listed on the endorsement while an insured dentist is temporarily absent from professional practice. There is no additional premium for this endorsement.

Dentist Slot Endorsement – PSIC-DDS-11 (Claims made only)

A slot is used to accommodate one full-time position for a given specialty in practices with a high position turnover. This endorsement provides one separate limit of liability to be shared by the slot dentists within the same slot position as designated in the endorsement. All slot dentists within a slot position must have the same classification. The premium for the slot position is based on the full-time, mature rate for the given classification.

Full Time Equivalent (FTE) Dentist Endorsement – PSIC-DDS-12 (Claims Made only)

A Full-time Equivalency (FTE) is used to accommodate multiple dentists sharing one or more full-time positions within the given specialty. This endorsement provides one separate limit of liability to be shared by the FTE dentists within the same FTE position as designated in the endorsement. All FTE dentists within an FTE position must have the same classification. The premium for the FTE position is based on the total hours of practice of the FTE position and the full-time, mature rate for the given classification.

Illinois Restricted Practice Endorsement – PSIC-DDS-IL-04

This endorsement excludes the designated specialty, procedure or practice activity for the insured(s) specified on the endorsement. The Named Insured's signature is required on this endorsement.

Illinois Vicarious Liability Risks Excluded Endorsement – PSIC-DDS-IL-03

This endorsement excludes any vicarious liability arising from professional services provided by, or which should have been provided by, any excluded dental provider(s) designated on the endorsement. The Named Insured's signature is required on this endorsement.

Facial Cosmetics Endorsement – PSIC-DDS-15

This endorsement amends the definition of Professional Services to include facial cosmetic/aesthetic procedures that are adjunct to dental care, performed by the dentist designated on the endorsement. There is a flat charge of \$500 for this coverage.

Corporation and Partnership Legal Defense for Government Proceedings Amendatory Endorsement – PSIC-DDS-16

This endorsement amends the aggregate limit of liability for legal expenses with respect to covered proceedings for corporation and partnership policies. There is no additional premium for this endorsement.

XIV. CLASSIFICATION PLAN

<u>Specialty Codes</u>	<u>Class</u>	<u>Description</u>	<u>FACTOR</u>
80211	1	Dentist incl. Local anesthesia and/or oral medication only Dentist incl. Conscious Sedation Dentist incl. Facial Cosmetics Oral & Maxillofacial Pathology	1.00
80210	4	Dental Anesthesiology or Oral & Maxillofacial Radiologist	3.00
80210	5	Oral & Maxillofacial Surgery	5.00

XV. PROFESSIONAL ENTITY COVERAGE

A. Shared Limits of Liability:

Coverage for professional entities, including solo practitioners, may be written with a shared limit of liability. There is no additional premium charge for shared limits of liability.

B. Separate Limits of Liability:

Coverage for professional entities, including solo practitioners, may be written with a separate limit of liability. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the discounted manual rate for all specialties except Oral & Maxillofacial Surgery and 1% for Oral Maxillofacial Surgery, with the maximum

premium limited to a cap of the top 5 highest rated dental providers listed on the Declarations and Schedule of Insureds when calculating the premium.

XVI. RATES

Claims Made Base Rate (for Class 1 provider @ 100/300 limits)

<u>Illinois Territory 01</u> (Cook County)	\$1,529.00
<u>Illinois Territory 02</u> (Remainder of State)	\$838.00

Occurrence Base Rate (for Class 1 provider @ 100/300 limits)

<u>Illinois Territory 01</u> (Cook County)	\$1,662.00
<u>Illinois Territory 02</u> (Remainder of State)	\$911.00

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.14
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.33
\$1,100,000/\$3,000,000	1.56
\$2,000,000/\$4,000,000	1.72

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.32
2	0.60
3	0.81
4	0.90
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

<i>SERFF Tracking Number:</i>	<i>NCMA-128171765</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Professional Solutions Insurance Company</i>	<i>State Tracking Number:</i>	<i>NCMA-128171765</i>
<i>Company Tracking Number:</i>	<i>DDS REWRITE 2012 - RATE/RULE</i>		
<i>TOI:</i>	<i>11.0 Medical Malpractice - Claims</i>	<i>Sub-TOI:</i>	<i>11.0006 Dentists - General Practice</i>
	<i>Made/Occurrence</i>		
<i>Product Name:</i>	<i>Dental Professional Liability</i>		
<i>Project Name/Number:</i>	<i>DDS Rewrite 2012/DDS Rewrite 2012</i>		

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item:	Explanatory Memorandum	
Comments:		
Attachment:		
DDS Rewrite 2012 Rating Manual Changes - IL.pdf		

	Item Status:	Status Date:
Bypassed - Item:	Form RF3 - (Summary Sheet)	
Bypass Reason:	N/A	
Comments:		

	Item Status:	Status Date:
Satisfied - Item:	Certification	
Comments:		
Attachment:		
IL DPL Rate Cert 3-19-12.pdf		

	Item Status:	Status Date:
Satisfied - Item:	Manual	
Comments:		
Attachment:		
Side-by-Side Comparison - Manual.pdf		

	Item Status:	Status Date:
Satisfied - Item:	Actuarial Memorandum	
Comments:		

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<i>Filing Company:</i>	<i>Professional Solutions Insurance Company</i>	<i>State Tracking Number:</i>	<i>NCMA-128171765</i>
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Attachment:

Filing Memo-IL-DPL 3-1-12-FINAL.pdf

Professional Solutions Insurance Company
Dental Professional Liability
Summary of Rating Manual Changes

General:

- Changed edition number on bottom left from 10/2010 to Edition 01/2012.

Section I. Application of This Manual-Eligibility:

- Removed the following sentence from the second paragraph: “Refer to the listing of the mid-level dental providers who may be covered by either a shared or separate limit of liability.”

Section II. Premium Determination:

- Reduced the minimum policy premium from \$200 to \$50.

Section III. Policy Period:

- No changes.

Section IV. Whole Dollar Premium Rule:

- No changes.

Section V. Practice Location

- Revised the Practice Location section by expanding item A. to also include Oral & Maxillofacial Pathology and by expanding item B. to also include Oral & Maxillofacial Radiology.

Section VI. Policy Cancellation:

- No changes.

Section VII. Premium Payment Options:

- No changes.

Section VIII. Renewals:

- No changes.

Section IX. Special Provisions:

- No changes.

Section X. Discounts:

- Removed the restriction on the part-time credit requirement so it is now available to those classified as Dental Anesthesiology and Oral & Maxillofacial – Major Surgery.

Section XI. Experience Rating:

- No changes.

Section XII. Schedule Rating:

- Removed the 25% debit for Facial Cosmetics, now charging a flat \$500 endorsement fee as shown in Section XIII. ENDORSED COVERAGES.

Section XIII. Endorsed Coverages – Coverage Options:

- Removed the charge for the Additional Interests Endorsement.
- Reduced the charge for affiliated dentists from 25% to 10% under the Vicarious Liability for Affiliated Dental Provider Endorsement, while also eliminating the 3% charge for affiliated mid-levels.
- Clarified the now flat \$500 fee under the Facial Cosmetics Endorsement.

Professional Solutions Insurance Company
Dental Professional Liability
Summary of Rating Manual Changes

- Added a description for the new Corporation and Partnership Legal Defense for Government Proceedings Amendatory Endorsement to be attached to the policy when issued to a group.

Section XIV. Classification Plan:

- Added Oral & Maxillofacial Pathology to Class 1.
- Added Oral & Maxillofacial Radiology to Class 4 and reduced the factor for Class 4 from 4.5 to 3.0.
- Reduced the factor for Class 5 from 6.0 to 5.0.

Added Section XV. Professional Entity Coverage:

- Replaced the Solo Practitioner Corporation coverage with Shared Limits professional entity coverage at no additional charge.
- Reduced the charge for Separate Limits of Liability professional entity coverage from 10% of the discounted manual rate for the top 10 highest rated providers to 1% for Oral & Maxillofacial Surgery and 10% for all other classes, limited to the top five highest rated providers.

Added Section XVI. Mid-Level Healthcare Provider Coverage:

- Removed this section as Expanded Functions Dental Assistants will now be covered under the definition of employee in the policy.

Section XVII. RATES:

- No changes.

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Jacqueline Anderson, a duly authorized officer of Professional Solutions Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Charles W. Mitchell, FCAS, MAAA, a duly authorized actuary of Milliman am authorized to certify on behalf of Professional Solutions Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Jacqueline L. Anderson /Corporate Secretary
Signature and Title of Authorized Insurance Company Officer

3/15/2012
Date

Charles W. Mitchell
Signature, Title and Designation of Authorized Actuary

3/19/12
Date

Insurance Company FEIN 42-1520773 Filing Number DDS 2012 Rewrite - Rate/Rule

Insurer's Address 14001 University Avenue

City Clive State Iowa Zip Code 50325-8258

Contact Person's:

-Name and E-mail Rejeana Otte, Lead Compliance Analyst rotte@ncmic.com

-Direct Telephone and Fax Number Phone: 515-313-4717 Fax: 515-313-4476

Side-by-Side Rating Manual Comparison

Attached please find a comparison of Professional Solutions Insurance Company's currently approved Dental Professional Liability rating manual and its revised rating manual. All information that has been deleted from the currently approved manual has a ~~red line through it~~ and all new information that has been added to the revised manual is underlined in blue.

To see where the changes are, please scroll down.

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
STATE OF ILLINOIS
DENTAL PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE AND OCCURRENCE COVERAGE

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
STATE OF ILLINOIS
DENTAL PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE AND OCCURRENCE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This program covers Dentists engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan for a description of each risk/rating category for dentists.

Employees of Dentists are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. ~~Refer to the listing of the mid-level dental providers who may be covered by either a shared or separate limit of liability.~~

This program also provides coverage for both dental clinics and individual practicing dentists for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. If the policy is claims made, apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply discounts, as appropriate, for part-time or new practitioner.
6. Apply any applicable credits/debits for experience rating.
7. Apply any applicable credits/debits for schedule rating.
8. Apply rounding.
9. Example Premium Calculation:
 Assume the full time undiscounted premium is \$1,000. Credits or debits will be applied in consecutive order.
 $\$1,000 \times .95 = \950.00 (Claims Free credit of 5%)
 $\$950.00 \times .95 = \902.50 (Schedule Rating credit of 5%)
 $\$902.50 = \903.00 (Apply rounding)
10. There will be a ~~\$200.00~~ minimum premium for all dental policies.

III. POLICY PERIOD

The policy period shall be for a one-year term. Insureds added or removed mid-term will be pro-rated.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.
 \$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

The following parameters will be applied for dental providers who practice in multiple territories or states:

- A. For dental providers providing services under local or conscious sedation and/or facial ~~cosmetics~~, the location of the primary office practice will determine the manual rate.
- B. For dental providers classified as Dental ~~Anesthesiology or Oral & Maxillofacial – Major Surgery~~, the location of the primary healthcare facility practice will determine the manual rate.

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Example: \$1,234.30 is rounded to \$1,234.
 \$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

The following parameters will be applied for dental providers who practice in multiple territories or states:

- A. For dental providers providing services under local or conscious sedation and/or facial cosmetics or dental providers classified as Oral & Maxillofacial Pathology, the location of the primary office practice will determine the manual rate.
- B. For dental providers classified as Dental Anesthesiology, Oral & Maxillofacial Radiology or Oral & Maxillofacial Surgery, the location of the primary healthcare facility practice will determine the manual rate.

- C. If a dental provider practices equally in two or more states or territories, the rate from the highest territory or state will be applied.

For the purposes of this section, primary means 51% or more of the dental provider's practice time is spent in the given territory or state.

The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro-rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard notice will be sent sixty (60) days prior to cancellation or non-renewal, except that in the event of non-payment of premium, then not less than ten (10) days prior notice of cancellation will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro-rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro-rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage – Claims Made Only

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional Solutions Insurance Company. The insured may apply for a Retroactive Date that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

- C. If a dental provider practices equally in two or more states or territories, the rate from the highest territory or state will be applied.

For the purposes of this section, primary means 51% or more of the dental provider's practice time is spent in the given territory or state.

The insured must be licensed in all states where practicing.

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Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Automatic Reporting Extension – Claims Made Only

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Automatic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Automatic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called “Tail Coverage”.

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage – Claims Made Only

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents, which occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.654
2	0.975
3	1.062
4+	1.082

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

If the Insured fails to pay the Extended Reporting Endorsement premium when due, the Insured will be liable to the Company for any losses and loss expenses incurred.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled.

The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years. The Extended Reporting Coverage premium will be discounted for insureds who retire at or after age fifty-five (55) with fewer than five (5) years of continuous coverage as follows:

<u># of Years of Continuous Coverage</u>	<u>Extended Reporting Coverage Credit</u>
1 full year	20%
2 full years	40%
3 full years	60%
4 full years	80%

D. Prior Acts Coverage, also called Nose Coverage – Occurrence Only

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured’s previous claims made policy will be covered. The limit of liability provided by this option are the

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Under the circumstances stated above, the Company will provide a thirty (30) day Automatic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Automatic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called “Tail Coverage”.

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

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Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents, which occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

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<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.654
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<u># of Years of Continuous Coverage</u>	<u>Extended Reporting Coverage Credit</u>
1 full year	20%
2 full years	40%
3 full years	60%
4 full years	80%

D. Prior Acts Coverage, also called Nose Coverage – Occurrence Only

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured’s previous claims made policy will be covered. The limit of liability provided by this option are the

only limits that shall be applicable to the time period designated above. This endorsement can be applied to individual or entity policies.

The factors listed below will be applied to the undiscounted mature occurrence premium at the applicable limit of liability in the state in which the insured's previous claims made policy was issued.

<u># of Years in Claims Made Maturity</u>	<u>Nose Factor</u>
1	0.628
2	0.936
3	1.020
4+	1.039

E. Change in Rating Classification – Claims Made Only

In the event of a change in exposure or dental practice classification, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no additional charge;
2. with regard to dental practice classification, both the prior and the current specialty fall within the same class;
3. the exposure or dental practice of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or dental practice of the practitioner changed while insured under occurrence coverage.

F. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed sixty (60) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

X. DISCOUNTS

A. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits.

B. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. ~~Practitioners classified as Dental Anesthesiology or Oral & Maxillofacial – Major Surgery are not eligible for the part-time credit. The insured must complete an application for part-time credit. If the application is approved, the credit applied is 50% of the approved base premium.~~

Those who receive a part-time practitioner credit will not be eligible to receive any further credits.

only limits that shall be applicable to the time period designated above. This endorsement can be applied to individual or entity policies.

The factors listed below will be applied to the undiscounted mature occurrence premium at the applicable limit of liability in the state in which the insured's previous claims made policy was issued.

<u># of Years in Claims Made Maturity</u>	<u>Nose Factor</u>
1	0.628
2	0.936
3	1.020
4+	1.039

E. Change in Rating Classification – Claims Made Only

In the event of a change in exposure or dental practice classification, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no additional charge;
2. with regard to dental practice classification, both the prior and the current specialty fall within the same class;
3. the exposure or dental practice of the practitioner changed more than 4 years prior while insured under claims made coverage; or
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X. DISCOUNTS

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1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits.

B. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The credit applied is 50% of the approved base premium.

Those who receive a part-time practitioner credit will not be eligible to receive any further credits.

XI. EXPERIENCE RATING

Claims free credits

~~XI. EXPERIENCE RATING~~**~~Claims free credits~~**

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00 or allocated loss adjustment expense (ALAE) payments plus any Company established reserves for loss or ALAE exceeding \$50,000.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

~~Claims debits~~**~~Claim frequency debit criteria:~~****~~Debit:~~**

One (1) claim opened in the past five (5) years:	0%
Two (2) claims opened in the past five (5) years:	50%
Three (3) claims opened in the past five (5) years:	150%

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- The applicant
- The agent or broker
- All previous insurers with respect to the experience period in question.

~~XII. SCHEDULE RATING~~

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 25% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

SCHEDULE RATING PROGRAM		Maximum Credit	Maximum Debit
Conscious Sedation	Procedures performed on patients who have been treated with light to moderate conscious sedation, including but not limited to nitrous oxide.	0%	10%
Facial Cosmetics	Elective cosmetic/aesthetic procedures, including but not limited to Botox injections, hyaluronic acid injections and dermal fillers.	0%	25%

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00 or allocated loss adjustment expense (ALAE) payments plus any Company established reserves for loss or ALAE exceeding \$50,000.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

Claims debits

Claim frequency debit criteria:

Debit:

One (1) claim opened in the past five (5) years:	0%
Two (2) claims opened in the past five (5) years:	50%
Three (3) claims opened in the past five (5) years:	150%

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

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- The agent or broker
- All previous insurers with respect to the experience period in question.

XII. SCHEDULE RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 25% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

SCHEDULE RATING PROGRAM		Maximum Credit	Maximum Debit
Conscious Sedation	Procedures performed on patients who have been treated with light to moderate conscious sedation, including but not limited to nitrous oxide.	0%	10%
Historical Loss Experience	The frequency or severity of claims for the insured is greater/less than expected experience for an insured of the same classification/size or recognition of unusual circumstances of claims in the loss experience.	25%	25%
Cumulative Years of Patient Experience	The insured demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.	5%	5%

Historical Loss Experience	The frequency or severity of claims for the insured is greater/less than expected experience for an insured of the same classification/size or recognition of unusual circumstances of claims in the loss experience.	25%	25%
Cumulative Years of Patient Experience	The insured demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.	5%	5%
Classification Anomalies	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of a recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.	25%	25%
Claims Anomalies	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or unusual circumstances of a claim(s) which understate/overstate the severity of the claims(s).	10%	10%
Management Control Procedures	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.	10%	10%
Number/Type of Patient Exposures	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.	10%	10%
Organizational Size / Structure	The organization's size and processes are such that economies of scale are achieved while servicing the insured.	5%	5%
Medical Standards, Quality & Claim Review	Presence of a committee that meets on a routine basis to (1) review dental procedures, treatments, and protocols and assist in the integration of such into the practice; (2) assure the quality of the dental care being rendered; and/or (3) provide consistent review of claims/incidents that have occurred and develop corrective action.	10%	10%
Other Risk Management Practices and Procedures	Additional activities undertaken with specific intention of reducing the frequency or severity of claims.	10%	10%
Training, Accreditation & Credentialing	The insured exhibits greater/less than normal participation and support of such activities.	10%	10%
Record – Keeping Practices	Degree to which the insured incorporates methods to maintain quality patient records, referrals, and test results	5%	5%
Utilization of Monitoring Equipment, Diagnostic Tests or Procedures	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in dental treatment and equipment into the practice, or failure to meet accepted standards of care.	10%	10%
Maximum cumulative schedule credit / debit		25%	25%

XIII. ENDORSED COVERAGES – Coverage Options

Active Military Suspension Endorsement – PSIC-DDS-02CM and PSIC-DDS-02OCC

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Additional Interests Endorsement – PSIC-DDS-04

This optional endorsement provides coverage ~~for an additional interest. For an individual practice, the charge for this endorsement will be up to 15% of the named insured's undiscounted manual premium for~~

Classification Anomalies	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of a recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.	25%	25%
Claims Anomalies	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or unusual circumstances of a claim(s) which understate/overstate the severity of the claims(s).	10%	10%
Management Control Procedures	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.	10%	10%
Number/Type of Patient Exposures	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.	10%	10%
Organizational Size / Structure	The organization's size and processes are such that economies of scale are achieved while servicing the insured.	5%	5%
Medical Standards, Quality & Claim Review	Presence of a committee that meets on a routine basis to (1) review dental procedures, treatments, and protocols and assist in the integration of such into the practice; (2) assure the quality of the dental care being rendered; and/or (3) provide consistent review of claims/incidents that have occurred and develop corrective action.	10%	10%
Other Risk Management Practices and Procedures	Additional activities undertaken with specific intention of reducing the frequency or severity of claims.	10%	10%
Training, Accreditation & Credentialing	The insured exhibits greater/less than normal participation and support of such activities.	10%	10%
Record – Keeping Practices	Degree to which the insured incorporates methods to maintain quality patient records, referrals, and test results	5%	5%
Utilization of Monitoring Equipment, Diagnostic Tests or Procedures	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in dental treatment and equipment into the practice, or failure to meet accepted standards of care.	10%	10%
Maximum cumulative schedule credit / debit		25%	25%

XIII. ENDORSED COVERAGES – Coverage Options

Active Military Suspension Endorsement – PSIC-DDS-02CM and PSIC-DDS-02OCC

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Additional Interests Endorsement – PSIC-DDS-04

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy. There is no additional charge for this endorsement.

Temporary Leave of Absence Endorsement – PSIC-DDS-05CM and PSIC-DDS-05OCC

~~each additional interest. For a group practice, the charge for this endorsement will be up to 15% of the undiscounted manual rate of the top 5 highest rated dental providers for each additional interest.~~

~~The addition of an additional interest will be based upon the underwriter's assessment of additional exposure imputed to an insured dentist, solo practitioner corporation, partnership or multi shareholder corporation.~~

Locations or services being provided by the additional interest to or on behalf of the Named Insured are financially and medically controlled by the Named Insured.	5%
Locations or services being provided by the additional interest to or on behalf of the Named Insured are not financially controlled by the Named Insured.	10%
Locations or services being provided by the additional interest to or on behalf of the Named Insured are not financially and medically controlled by the Named Insured.	15%

Temporary Leave of Absence Endorsement – PSIC-DDS-05CM and PSIC-DDS-05OCC

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro-rata basis for the period of the qualifying disability.

For claims made policies, while on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave or any other reason pre-approved by Professional Solutions Insurance Company – does not apply to vacations.

Extended Reporting Endorsement – PSIC-DDS-06 (Claims Made only)

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Prior Acts Endorsement – PSIC-DDS-07 (Occurrence only)

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured's previous claims made policy will be covered.

Accelerated Vesting For Extended Reporting Period Endorsement - PSIC-DDS-08 (Claims Made only)

This endorsement amends the years of continuous coverage requirement for the Extended Reporting Endorsement at no additional charge upon retirement.

Vicarious Liability for Affiliated Dental Provider Endorsement – PSIC-DDS-09

Coverage is provided for the vicarious liability of the affiliated dental provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a ~~25% additional premium charge for each affiliated dentist and a 3% additional premium charge for each affiliated mid-level dental provider.~~

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro-rata basis for the period of the qualifying disability.

For claims made policies, while on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave or any other reason pre-approved by Professional Solutions Insurance Company – does not apply to vacations.

Extended Reporting Endorsement – PSIC-DDS-06 (Claims Made only)

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Prior Acts Endorsement – PSIC-DDS-07 (Occurrence only)

This endorsement will provide nose coverage for dentists who change from a claims made policy to an occurrence policy and do not purchase Extended Reporting Coverage from their previous carrier. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date of the insured's previous claims made policy will be covered.

Accelerated Vesting For Extended Reporting Period Endorsement - PSIC-DDS-08 (Claims Made only)

This endorsement amends the years of continuous coverage requirement for the Extended Reporting Endorsement at no additional charge upon retirement.

Vicarious Liability for Affiliated Dental Provider Endorsement – PSIC-DDS-09

Coverage is provided for the vicarious liability of the affiliated dental provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 10% additional premium charge for each affiliated dentist that is not insured with Professional Solutions Insurance Company.

Locum Tenens Endorsement – PSIC-DDS-10

This endorsement adds coverage for the substitute dentist listed on the endorsement while an insured dentist is temporarily absent from professional practice. There is no additional premium for this endorsement.

Dentist Slot Endorsement – PSIC-DDS-11 (Claims made only)

A slot is used to accommodate one full-time position for a given specialty in practices with a high position turnover. This endorsement provides one separate limit of liability to be shared by the slot dentists within the same slot position as designated in the endorsement. All slot dentists within a slot position must have the same classification. The premium for the slot position is based on the full-time, mature rate for the given classification.

Full Time Equivalent Dentist Endorsement – PSIC-DDS-12 (Claims Made only)

Covered Dentist Locum Tenens Endorsement – PSIC-DDS-10

This endorsement adds coverage for the substitute dentist listed on the endorsement while ~~the named insured~~ is temporarily absent from professional practice. There is no additional premium for this endorsement.

Covered Dentist Slot Endorsement – PSIC-DDS-11 (Claims made only)

A slot is used to accommodate one full-time position for a given specialty in practices with a high position turnover. This endorsement provides one separate limit of liability to be shared by the ~~covered~~ slot dentists within the same slot position as designated in the endorsement. All ~~covered~~ slot dentists within a slot position must have the same classification. The premium for the slot position is based on the full-time, mature rate for the given classification.

Covered Full Time Equivalent Dentist Endorsement – PSIC-DDS-12 (Claims Made only)

A Full-time Equivalency (FTE) is used to accommodate multiple dentists sharing one or more full-time positions within the given specialty. This endorsement provides one separate limit of liability to be shared by the ~~covered~~ FTE dentists within the same FTE position as designated in the endorsement. All ~~covered~~ FTE dentists within an FTE position must have the same classification. The premium for the FTE position is based on the total hours of practice of the FTE position and the full-time, mature rate for the given classification.

Illinois Restricted Practice Endorsement – PSIC-DDS-IL-04

This endorsement excludes the designated specialty, procedure or practice activity for the insured(s) specified on the endorsement. The Named Insured's signature is required on this endorsement.

Illinois Vicarious Liability Risks Excluded Endorsement – PSIC-DDS-IL-03

This endorsement excludes any vicarious liability arising from professional services provided by, or which should have been provided by, any excluded dental provider(s) designated on the endorsement. The Named Insured's signature is required on this endorsement.

Facial Cosmetics Endorsement – PSIC-DDS-15

This endorsement amends the definition of Professional Services to include facial cosmetic/aesthetic procedures that are adjunct to dental care, performed by the dentist designated on the endorsement.

XIV. CLASSIFICATION PLAN

<u>Specialty Codes</u>	<u>Class</u>	<u>Description</u>	<u>FACTOR</u>
80211	1	Dentist incl. Local anesthesia and/or oral medication only	
		Dentist incl. Conscious Sedation	1.00
		Dentist incl. Facial Cosmetics	
80210	4	Dental Anesthesiology	4.50
80210	5	Oral & Maxillofacial – Major Surgery	6.00

~~XV. PROFESSIONAL ENTITY COVERAGE~~**~~A. Solo Practitioner Corporation.~~**

~~Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed dentists.~~

A Full-time Equivalency (FTE) is used to accommodate multiple dentists sharing one or more full-time positions within the given specialty. This endorsement provides one separate limit of liability to be shared by the FTE dentists within the same FTE position as designated in the endorsement. All FTE dentists within an FTE position must have the same classification. The premium for the FTE position is based on the total hours of practice of the FTE position and the full-time, mature rate for the given classification.

Illinois Restricted Practice Endorsement – PSIC-DDS-IL-04

This endorsement excludes the designated specialty, procedure or practice activity for the insured(s) specified on the endorsement. The Named Insured's signature is required on this endorsement.

Illinois Vicarious Liability Risks Excluded Endorsement – PSIC-DDS-IL-03

This endorsement excludes any vicarious liability arising from professional services provided by, or which should have been provided by, any excluded dental provider(s) designated on the endorsement. The Named Insured's signature is required on this endorsement.

Facial Cosmetics Endorsement – PSIC-DDS-15

This endorsement amends the definition of Professional Services to include facial cosmetic/aesthetic procedures that are adjunct to dental care, performed by the dentist designated on the endorsement. There is a flat charge of \$500 for this coverage.

Corporation and Partnership Legal Defense for Government Proceedings Amendatory Endorsement PSIC-DDS-16

This endorsement amends the aggregate limit of liability for legal expenses with respect to covered proceedings for corporation and partnership policies. There is no additional premium for this endorsement.

XIV. CLASSIFICATION PLAN

<u>Specialty Codes</u>	<u>Class</u>	<u>Description</u>	<u>FACTOR</u>
80211	1	Dentist incl. Local anesthesia and/or oral medication only Dentist incl. Conscious Sedation Dentist incl. Facial Cosmetics <u>Oral & Maxillofacial Pathology</u>	<u>1.00</u>
<u>80210</u>	<u>4</u>	<u>Dental Anesthesiology or Oral & Maxillofacial Radiologist</u>	<u>3.00</u>
<u>80210</u>	<u>5</u>	<u>Oral & Maxillofacial Surgery</u>	<u>5.00</u>

XV. PROFESSIONAL ENTITY COVERAGE

A. Shared Limits of Liability:

Coverage for professional entities, including solo practitioners, may be written with a shared limit of liability. There is no additional premium charge for shared limits of liability.

B. Separate Limits of Liability:

Coverage for professional entities, including solo practitioners, may be written with a separate limit of liability. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the discounted manual rate for all specialties except Oral & Maxillofacial Surgery and 1% for Oral Maxillofacial Surgery, with the maximum premium limited to a cap of the top 5 highest rated dental providers listed on the Declarations and Schedule of Insureds when calculating the premium.

~~B. Shared Limits of Liability.~~

~~Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the discounted manual rate of all insured providers, with the maximum premium limited to a cap of the top 10 highest rated dental providers listed of the Declarations and Schedule of Insureds when calculating the premium.~~

~~C. Separate Limits of Liability.~~

~~Coverage for professional entities may be written with a separate limit of liability. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the discounted manual rate of all insured providers, with the maximum premium limited to a cap of the top 10 highest rated dental providers listed on the Declarations and Schedule of Insureds when calculating the premium.~~

~~XVI. MID LEVEL HEALTHCARE PROVIDER COVERAGE~~

~~A. Shared Limits of Liability.~~

~~Coverage for licensed, mid-level providers may be written so the mid-level providers share a separate limit of liability with another insured as stated on the Schedule of Mid-level Providers. There is no additional premium charge for up to 5 mid-level providers sharing in a separate limit. More than 5 mid-level providers requesting to share in a separate limit will be referred to Underwriting.~~

~~B. Separate Limits of Liability.~~

~~Coverage for licensed, mid-level providers is available on an individual, separate limits basis for employees of dentists insured by PSIC.~~

~~Mid-Level Provider Classification Plan~~

Specialty	Mid-Level	Separate Limit
Codes	Dental Provider	Factor
80211	Expanded Functions Dental Assistant	0.200

~~XVII. RATES~~

Claims Made Base Rate (for Class 1 provider @ 100/300 limits)

<u>Illinois Territory 01 (Cook County)</u>	\$1,529.00
<u>Illinois Territory 02 (Remainder of State)</u>	\$838.00

Occurrence Base Rate (for Class 1 provider @ 100/300 limits)

<u>Illinois Territory 01 (Cook County)</u>	\$1,662.00
<u>Illinois Territory 02 (Remainder of State)</u>	\$911.00

XVI. RATES**Claims Made Base Rate (for Class 1 provider @ 100/300 limits)**

<u>Illinois Territory 01</u> (Cook County)	\$1,529.00
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<u>Illinois Territory 02</u> (Remainder of State)	\$838.00
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Occurrence Base Rate (for Class 1 provider @ 100/300 limits)

<u>Illinois Territory 01</u> (Cook County)	\$1,662.00
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<u>Illinois Territory 02</u> (Remainder of State)	\$911.00
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Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.14
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.33
\$1,100,000/\$3,000,000	1.56
\$2,000,000/\$4,000,000	1.72

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.32
2	0.60
3	0.81
4	0.90
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.00
\$200,000/\$600,000	1.14
\$250,000/\$750,000	1.31
\$500,000/\$1,000,000	1.33
\$1,100,000/\$3,000,000	1.56
\$2,000,000/\$4,000,000	1.72

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.32
2	0.60
3	0.81
4	0.90
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

ILLINOIS DENTAL PROFESSIONAL LIABILITY ACTUARIAL ANALYSIS OF PROPOSED RATE LEVELS EFFECTIVE MARCH 1, 2012

This memorandum has been prepared in support of Professional Solutions Insurance Company's (PSIC) proposed rate level for its Illinois dental professional liability (DPL) coverage to be effective March 1, 2012. This memorandum addresses the following proposed revisions to PSIC's DPL rating plan:

- Changes to PSIC's DPL class relativities; and
- Changes to PSIC's DPL new-to-practice discount factors.

PSIC has limited historical DPL premium and claims experience in the State of Illinois on which to base a rate level analysis, as displayed in the table below:

PSIC'S ILLINOIS DPL PREMIUM AND CLAIMS AS OF JUNE 30, 2011					
Accident / Report Year	Direct Earned Premium	Direct Paid Loss & LAE	Direct Case Reserves Loss & ALAE	Direct Incurred Loss & ALAE	Direct Incurred Loss and ALAE Ratio
2008 & Prior	\$28,505	\$6,163	\$0	\$6,163	21.6%
2009	78,357	30,996	145,588	176,585	225.4%
2010	142,809	20,540	299,460	320,000	224.1%
2011	73,950	7,674	159,215	166,889	225.7%
Total	\$323,621	\$65,373	\$604,263	\$669,636	206.9%

Given the lack of sufficient historical DPL experience for PSIC in Illinois, we have based our analysis on loss cost information obtained from the DPL rate filing of the Medical Protective Insurance Company (MedPro) effective September 1, 2001. MedPro recently filed DPL rate filings in multiple other states to be effective January 1, 2011. As such, we have supplemented MedPro's Illinois rate filing with information obtained from MedPro's rate filings in various other states.

Considering the strong presence of MedPro in the DPL market and the availability and completeness of its rate filings, PSIC believes that the MedPro filings provide a representative source for estimating PSIC's expected DPL claims experience in Illinois.

The key assumptions underlying PSIC's proposed rates are summarized below:

- 1) PSIC has assumed that the indicated expected loss and allocated loss adjustment expense (ALAE) for an Illinois base class dentist reflected in MedPro's rate filings are representative of the claims experience PSIC expects to incur on its Illinois book of business. Exhibit 1 shows the estimation of MedPro's loss and ALAE pure premium;
- 2) Exhibit 2 shows PSIC's current and proposed class relativities for dental anesthesiology and oral surgeons (Classes D-4 and D-5, respectively). As shown, PSIC selected class relativities based on a sample of class relativities from other DPL writers. Utilizing PSIC's proposed class plan along with MedPro's countrywide distribution of dentists by class, we estimated overall weighted average relativities for the class plans of PSIC and MedPro on Exhibit 3. Our analysis shows that, on an overall basis, MedPro's pure premium should be increased by 0.7% to offset the lesser premium income to PSIC due to class plan differences;
- 3) Exhibit 4 compares PSIC's proposed territory plan to that of MedPro. Our analysis estimates that PSIC's overall rate level will be lower than MedPro's due to territory rating differences. As such, the MedPro loss cost has been increased by 5.3% to account for these differences;
- 4) Exhibit 5 shows PSIC's current and proposed new-to-practice discount factors. Utilizing PSIC's proposed new-to-practice discount factors and based on MedPro's countrywide distribution by number of years in practice, we estimated overall weighted average new-to-practice discount factors for PSIC and Med Pro (also on Exhibit 5). Our analysis shows that no offset is required since the weighted average new-to-practice discount factors for PSIC and Med Pro are identical;

- 5) We have assumed PSIC's unallocated loss adjustment expenses (ULAE) will be 7.0% of its loss and ALAE at \$1,100,000 / \$3,000,000. We have assumed that PSIC would incur the same ULAE costs as its parent company, NCMIC Insurance Company. The derivation of this assumption is shown on Exhibit 6 and incorporated into PSIC's loss cost calculation on Exhibit 7; and
- 6) PSIC's proposed rate structure includes an explicit provision to fund the anticipated premium waiver for the reporting endorsement in the event of death, disability or retirement (DDR). Specifically, PSIC's claims-made rates include a provision equivalent to 4.25% of loss and ALAE to fund this exposure. This provision is incorporated into PSIC's loss cost calculation on Exhibit 7.

PSIC has decided to maintain its current base rate. As displayed on Exhibit 8, this results in a projected target combined ratio of 115.3% and is broken down in the table below:

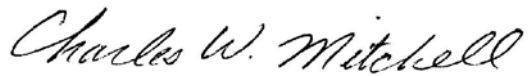
PROVISION	RATIO
Loss & LAE Ratio	97.3%
Underwriting Expenses	18.0
Target Combined Ratio	115.3%

Exhibits 9 and 10 summarize PSIC's selected manual rates.

Several final points should be noted. First, we relied on data and information provided by PSIC along with the rate filings prepared by Med Pro. We did not audit or independently verify this data or information other than for general reasonableness. Additionally, this analysis was prepared for PSIC's internal business use only and is not to be provided to any third party. We understand that PSIC intends to provide a copy of this letter to the Illinois Department of Insurance in support of its proposed rates and we permit such distribution. Finally, actuarial estimates of medical professional liability rates are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. While the estimates contained herein represent our best

professional judgment, it is not only possible, but in fact, probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,

A handwritten signature in cursive script that reads "Charles W. Mitchell".

Charles W. Mitchell, FCAS, MAAA
Consulting Actuary

CWM/bas

February 6, 2012

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**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

DERIVATION OF MEDPRO MATURE CLAIMS-MADE LOSS & ALAE PURE PREMIUM

REMAINDER OF STATE

(1) The Medical Protective Company (MedPro) Dental Professional Liability, Base Class, Remainder of State (ROS), Mature Claims-Made Filed Manual Rate, \$1,000,000/\$3,000,000 Limits	1,819 ¹
(2) MedPro Indicated Rate Change	NA
(3) MedPro Filed Rate Change	NA
(4) Indicated Rate Change Not Taken by MedPro; $[1 + (2)] / [1 + (3)] - 1$	NA
(5) MedPro Dental Base Class, ROS, Mature Claims-Made Indicated Manual Rate, \$1,000,000/\$3,000,000 Limits; $(1) \times [1 + (4)]$	1,819
(2) ILF from \$1,000,000 to \$1,100,000	1.010 ²
(3) MedPro Dental Base Class, ROS, Mature Claims-Made Indicated Manual Rate, \$1,100,000/\$3,000,000 Limits; $(1) \times (2)$	1,837
(4) MedPro Average Premium Credit	16.8% ³
(5) MedPro Dental Base Class, ROS, Mature Claims-Made Indicated Collected Rate, \$1,100,000/\$3,000,000 Limits; $(3) * [1 - (4)]$	1,528
(6) MedPro Loss & LAE Ratio (including DDR)	71.7% ³
(7) MedPro Dental Base Class, ROS, Mature Claims-Made Indicated Loss & LAE Pure Premium, \$1,100,000/\$3,000,000 Limits; $(5) \times (6)$	1,095
(8) MedPro Assumed DDR Load	6.00% ³
(9) MedPro ULAE Load	4.6% ³
(10) MedPro Loss & ALAE Pure Premium (Excluding DDR); $(7) / \{ [1 + (8)] \times [1 + (9)] \}$	988
(11) Assumed MedPro Effective Date	9/1/2011
(12) Trend Factor to 3/1/12 Effective Date at 3.0% Annual Trend	1.015
(13) Trended to 3/1/12 Dental Base Class, ROS, Mature Claims-Made Loss & ALAE Undiscounted Pure Premium (Excluding DDR), \$1,100,000/\$3,000,000 Limits $(10) \times (12)$	1,003
(14) Class Plan Offset	1.007
(15) Territorial Plan Offset	1.053
(16) New-to-Practice Discount Offset	1.000
(17) Trended to 3/1/12 Dental Base Class, ROS, Mature Claims-Made Loss & ALAE Undiscounted Pure Premium (Excluding DDR), \$1,100,000/\$3,000,000 Limits Adjusted for Overall Class Plan Differences $(13) \times (14) \times (15) \times (16)$	1,063

¹ From Med Pro's Illinois dental rate filing effective January 1, 2007

² Judgmentally selected based on a review of PSIC's ILF structure

³ Med Pro's average premium credit, Loss & LAE ratio, ULAE load and DDR load are based on Med Pro rate filings in various other states.

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

SELECTION OF RATE RELATIVITIES

<u>PSIC Class</u>	<u>PSIC Definition</u>	<u>Current PSIC</u>	<u>MedPro¹</u>	<u>CNA²</u>	<u>TDIC³</u>	<u>Fortress⁴</u>	<u>LIU⁶</u>	<u>PSIC Proposed</u>
D-4	Dental Anesthesiology	4.500	3.000	7.000	2.550	3.000 ⁵	6.000	3.000
D-5	Oral Surgery	6.000	5.500	5.000	4.880	N/A	7.000	5.000

¹ From Medical Protective Company rate filing in Iowa effective October 1, 2009

² From CNA rate filing in Iowa effective July 15, 2008

³ From The Dentists Insurance Company rate filing in Illinois effective January 1, 1998

⁴ From Fortress Insurance Company rate filing in Virginia effective February 1, 2011

⁵ General dentist who maintains dental anesthesia certificate and administers general anesthesia to patients

⁶ From Liberty Insurance Underwriters, Inc. rate filing in Illinois effective September 9, 2010

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

DERIVATION OF CLASS PLAN OFFSET

<u>PSIC Class</u>	<u>Current PSIC Relativity</u>	<u>Proposed PSIC Relativity</u>	<u>MedPro Relativity¹</u>	<u>Assumed Distribution¹</u>
D-1	1.000	1.000	1.000	99.1%
D-4	4.500	3.000	3.000	0.0%
D-5	6.000	5.000	5.750	0.9%
Total	1.045	1.036	1.043	100.0%

MedPro's Class Plan Offset = 1.043 / 1.036 = 1.007.

¹ Based on MedPro's countrywide distribution of physicians as contained in its rate filing in North Carolina.

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

SELECTION OF TERRITORIAL RELATIVITIES

<u>Area</u>	<u>PSIC Territory</u>	<u>Assumed Distribution¹</u>	<u>Current PSIC Relativity</u>	<u>Proposed PSIC Relativity</u>	<u>MedPro Relativity</u>
Cook County	1	55.9%	1.825	1.500	1.500
Madison and St. Clair Counties	2	2.2%	1.000	1.000	1.500
DuPage, Kane, Will and Lake	2	21.6%	1.000	1.000	1.250
McHenry County	2	1.1%	1.000	1.000	1.250
Remainder of State	2	19.3%	1.000	1.000	1.000
	Total	100.0%	1.461	1.279	1.347

Med Pro's Territory Plan Offset = 1.347 / 1.279 = 1.053.

¹ *Based on American Medical Association's 2008 distribution of physicians by county in Illinois*

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

DERIVATION OF NEW-TO-PRACTICE DISCOUNT OFFSET

Year in Practice	PSIC Current Factor	PSIC Proposed Factor	MedPro Factor	Assumed Distribution ¹
1st	0.500	0.250	0.250	1.1%
2nd	0.700	0.500	0.500	1.2%
3rd	0.900	0.750	0.750	0.7%
4th	1.000	0.850	1.000	0.0%
5th & greater	1.000	1.000	1.000	97.0%
Total	0.990	0.984	0.984	100.0%

MedPro's New-to-Practice Offset = 0.984 / 0.984 = 1.000.

CNA's New-to-Practice Offset = 0.987 / 0.984 = 1.003.

¹ Based on MedPro countrywide distribution of premium presented in Iowa filing.

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

Selection of ULAE Load

Calendar Year	NCMIC Experience (\$000's)			PSIC Experience (\$000's)			NCMIC & PSIC Combined ULAE as a percentage of Loss & ALAE
	Direct Paid ULAE 1	Direct Paid Loss & ALAE 1	ULAE as a percentage of Loss & ALAE	Direct Paid ULAE	Direct Paid Loss & ALAE	ULAE as a percentage of Loss & ALAE	
2004	1,670	24,566	6.8%	7	0	NA	6.8%
2005	2,120	28,414	7.5%	42	694	6.0%	7.4%
2006	2,053	27,644	7.4%	15	2,581	0.6%	6.8%
2007	2,090	31,386	6.7%	2	3,626	0.1%	6.0%
2008	2,156	28,597	7.5%	2	3,728	0.0%	6.7%
2009	2,201	26,726	8.2%	8	3,419	0.2%	7.3%
2010	2,055	25,306	8.1%	46	4,921	0.9%	7.0%
2011 ²	816	13,261	6.2%	299	6,168	4.8%	5.7%
Total	15,161	205,901	7.4%	420	25,136	1.7%	6.7%
2008-2010	6,412	80,629	8.0%	56	12,068	0.5%	7.0%
12/10 Select							7.0%
Select							7.0%

¹ Calendar years 1995-2003 paid data from annual statements and may include small amounts of assumed loss in later years.

Calendar years 2004-2011 paid data on direct business (excluding LPP) with in-house claims handling only, provided by NCMIC.

² Reflects exposure through June 30, 2011.

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

DERIVATION OF PSIC MATURE CLAIMS-MADE LOSS & LAE PURE PREMIUM

REMAINDER OF STATE

(1) Trended to 3/1/12 Dental Base Class, ROS, Mature Claims-Made Loss & ALAE Undiscounted Pure Premium (Excluding DDR), \$1,100,000/\$3,000,000 Limits Adjusted for Overall Class Plan Differences	1,063
(2) PSIC ULAE Load	7.0%
(3) DDR Load as a Percent of Loss & LAE	4.25%
(4) Trended to 3/1/12 Dental Base Class, ROS, Mature Claims-Made Loss & LAE Undiscounted Pure Premium (Including DDR), \$1,100,000/\$3,000,000 Limits; $(1) \times [1 + (2)] \times [1 + (3)]$	1,185

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

DERIVATION OF MATURE CLAIMS-MADE RATE

REMAINDER OF STATE

(1) Trended to 3/1/12 Dental Base Class, ROS, Mature Claims-Made Loss & LAE Undiscounted Pure Premium (Including DDR), \$1,100,000/\$3,000,000 Limits;	1,185
(2) Selected PSIC Dental Base Class, Mature Claims-Made Manual Rate, \$1,100,000/\$3,000,000 Limits, Effective 2/1/2012;	1,307
(3) Assumed PSIC Average Premium Credit	7.0%
(4) Selected PSIC Dental Base Class, Mature Claims-Made Collected Rate, \$1,100,000/\$3,000,000 Limits, Effective 2/1/2012; (2) * [1 - (3)]	1,216
(5) Indicated PSIC Target Combined Ratio	
a) Loss & LAE Ratio	97.5%
b) Underwriting Expense Ratio	<u>18.0%</u>
c) Target Combined Ratio	115.5%
(6) Current PSIC Dental Base Class, Mature Claims-Made Manual Rate, \$1,100,000/\$3,000,000 Limits	1,307
(7) Selected Manual Rate Change	0.0%

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

SCHEDULE OF MANUAL RATES EFFECTIVE MARCH 1, 2012

\$1,100,000/\$3,000,000 LIMITS

Territory 1 - Cook County

<u>PSIC Class</u>	<u>PSIC Relativity</u>	<u>Claims-Made Year</u>				
		1	2	3	4	Mature
D-1	1.000	627	1,177	1,588	1,765	1,961
D-4	3.000	1,882	3,530	4,765	5,294	5,883
D-5	5.000	3,137	5,883	7,942	8,824	9,805

**PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
RATE ANALYSIS EFFECTIVE MARCH 1, 2012**

SCHEDULE OF MANUAL RATES EFFECTIVE MARCH 1, 2012

\$1,100,000/\$3,000,000 LIMITS

Territory 2 - Remainder of State

<u>PSIC Class</u>	<u>PSIC Relativity</u>	<u>Claims-Made Year</u>				
		1	2	3	4	Mature
D-1	1.000	418	784	1,059	1,177	1,307
D-4	3.000	1,255	2,353	3,177	3,530	3,922
D-5	5.000	2,092	3,922	5,294	5,883	6,536